Strengths of Manufactured Capital

Sharing knowhow obtained through vertically-integrated manufacturing and global production with the entire world

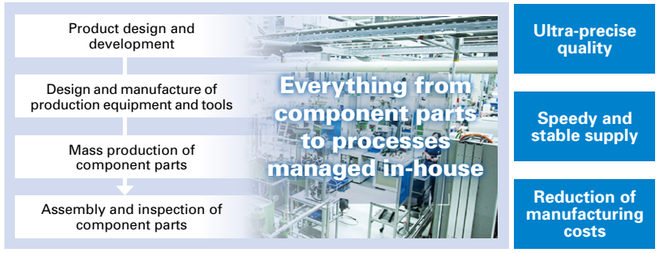
The strength of the manufactured capital that is the source of MinebeaMitsumi's competitiveness is a vertically-integrated manufacturing system which enables us to achieve both ultra-precision machining technology and mass production. Furthermore, by expanding the global production framework and sharing the accumulated manufacturing know-how throughout the entire Group, we swiftly provide products with ultra-high precision and high quality, supporting manufacturing worldwide.

Strength 1 Strengths and benefits of vertically-integrated manufacturing system

Many ultra-precision components such as bearings require machining precision at a micron (1/1,000,000) or nano (1/1,000,000,000) level, and need to be mass produced in volumes numbering in the hundreds of millions.

MinebeaMitsumi has established a "vertically-integrated manufacturing system" for managing everything from design and development to assembly and inspection in-house, reducing manufacturing costs and providing products with high precision and speed.

Vertically-integrated manufacturing system which enables us to achieve both ultra-precision machining technology and mass production



Strength 2 Benefits of a global production framework

The Company is also focusing manufactured capital on "diversity," which is one of its strengths. Among the 95 production sites spanning 22 countries, the mother plant in Japan closely works with mass production sites in Southeast Asia such as Thailand, the Philippines, China, and Cambodia, as well as Europe and the United States, to swiftly and flexibly respond to diverse market needs.

Furthermore, we have sites in multiple countries for most businesses such as bearings, motors, and sensors, and by having multiple sites within the same country, we are able to diversify risk. At all of our locations in every country, we provide guidance premised on the notion of "identical technologies and administration," and develop frameworks that facilitate the manufacturing of products underpinned by the notion of "uniform quality" regardless of the country of production. This does not simply diversify risk, but enables us to truly avoid risk while supplying products embodying standards demanded by our customers, even during instances when we might encounter production stoppages in certain geographic areas.

We also diversify risk in a manner that involves "manufacturing across multiple factories of similar types," with our sights set on the notion of local production for local consumption.

■ Example: manufacturing site mix involving the Ball Bearing Business Unit

Strength 3 Accumulated manufacturing know-how

Even within bearings, MinebeaMitsumi has refined its manufacturing capabilities by specializing in very small and miniature-sized bearings, and has engaged in improving productivity at a high level by increasing performance, quality, and yield to their limits. Such manufacturing knowhow has been shared throughout the entire Group not only for bearings, but also motors and electronic devices, leading to differentiation of our products. A specialized team has also been formed to support manufacturing, and synergies have been quickly demonstrated in business integration as well.

Strategies of Manufactured Capital

Thoroughly implementing measures to reduce environmental footprint and address risk, and further improvement of overwhelming supply capability

MinebeaMitsumi will further focus on reducing the environmental footprint of manufacturing, and fulfill its supply responsibilities as a components manufacturer by thoroughly implementing risk management. Furthermore, we aim to further improve our speedy and overwhelming supply capability by further strengthening the vertically-integrated manufacturing system through the automation of equipment and in-house manufacturing of components.

Strategy 1 Reduction of environmental footprint of manufacturing

MinebeaMitsumi has been engaged in environmental initiatives such as the Plant Wastewater Zero System in the Thailand and Shanghai Plants, which are mass production sites, based on the Company's corporate philosophy and company credo. In future, we will place increased focus on reducing our environmental footprint as global attention is drawn to climate change and decarbonization, starting with the introduction of solar power generation systems in two major plants in Thailand that are mass production sites.

Initiatives for the Environment Page 53

Strategy 2 Strengthening of risk management

MinebeaMitsumi has endeavored to expand the risk management structure at a global scale, considering our social responsibility to fulfill our responsibility to supply customers as a components manufacturer of products with world-leading market shares.

Even when faced with the spread of COVID-19, we quickly established a response headquarters headed by the CEO, globally sharing our best practices in addressing COVID-19 along with our information on logistics, procurement, and sales, to limit the impact to a minimum.

Furthermore, we have utilized our network of distributed production sites to continue plant operation and shipments to customers, such as covering production in Thailand, Cambodia and the Philippines when the disease spread in China, and then China covering the production of multiple sites when the disease spread globally.

Moving forward, top management and employees will work as one to face crises, and we will continue to do our best to strengthen risk management that is unwavering in the face of adversity.

Corporate governance and risk management Page 74

Strategy 3 Improving swift and overwhelming capability to supply products

The speed of changes in technological innovation is accelerating and diversifying more than in the past, and as a components manufacturer, we are required to flexibly deliver products more quickly and in large quantities to the market and customers who are manufacturers of finished goods.

The Company will share manufacturing know-how on parts and production equipment that has been refined through vertically-integrated manufacturing across a wide range of business to increase productivity to its limit. The in-house manufacturing of parts and production equipment reduces cost, improves productivity, and enables speedy and flexible responses to sudden model changes, making our products more competitive. In future, we will work to further increase the percentage of in-house manufacturing of parts and equipment, promote automation utilizing our production equipment, and establish optimal production monitoring systems.

Furthermore, we are strengthening production capacity with an eye to the future, by constantly seizing the initiative through investment and M&As such as investing in the construction of a multipurpose plant in the Bang Pa-in Plant in Thailand, and acquiring analog semiconductor and MEMS plants of OMRON Corporation.

We will further refine our speedy and overwhelming supply capability by taking a variety of steps to increase productivity and expand production capacity.